



CITY OF  
**PORTLAND, OREGON**  
COMMISSIONER ERIK STEN

1221 SW Fourth Avenue, Room 240  
Portland, OR 97204-1998  
(503) 823-3589  
Fax (503) 823-3596  
erik@ci.portland.or.us  
www.ci.portland.or.us

Statement of City of Portland to FCC  
Public Hearing on **Media One Transfer** to AT&T  
**February 4, 2000**

My name is Heather Barber; I am **here** to represent City Commissioner **Erik Sten** and the City of Portland, Oregon. According to Portland's form of **government**, Commissioner Sten is **the lead** local **elected official** on **cable and** telecommunications matters. I would like to **give** you a local **perspective** on the **issues** involved in the merger of **Media One Group, Inc.** and **AT&T Corp.**

In **December** of **1998**, **the** city of Portland was asked to approve a similar merger, as were hundreds of **cities** across the country, in the form of transferring **TCI's** local **franchises** to **AT&T**. In Portland, that is a two-step process. First, Portland has a citizens' commission that looks at these **issues**. This is a group of everyday people from across **the** board who **volunteer** their time to look at what is in **the** public **interest**. They make a **recommendation** that comes to the Portland City Council which ultimately must **approve** all transfers.

Both **the** citizens' commission and the Portland City Council **were excited** about some of the **opportunities** that **AT&T** proposed to bring to Portland, or so **they** thought. The city was excited to **have** competitive local phone **service** that is **needed** in Portland. **The** city was **very excited** to **have** high-speed **Internet access** available at the **home**. That is a product that is very much **welcome**. **But** both **our citizens'** commission and our **elected** officials came to the conclusion that we thought open access was **necessary** to provide **the** kind of **Internet service** that Portland has **become** accustomed to.

Portland **believes in competition**. Portland believes in choice. And **from** Portland citizens' point of view--and **Commissioner** Sten has talked to hundreds of citizens since this issue has **been** raging in Portland **over** the last year--the **idea** of having only **one** way to access **the** Internet over high-speed **cable** modems is **not** acceptable in Portland, **Oregon**. **The** city has gone **through** the problems associated **with** monopolies, and simply **believes** that open **access** is the **best approach**.

It is a **common** sense position, and it has been supported across the board in Portland. Three or four key points continue to come **up** in Portland.

**The** first is this issue is not going to go away anytime soon. After buying **TCI**, now AT&T has bought **Media One**. AOL has bought **Time Warner**. There is no question that control of cable **systems** is **concentrating** into **fewer** and **fewer** companies.

Hundreds of cities across the country have been and will continue to be faced with the same problem as Portland: trying to come up with the right approach and trying to enforce local policies for competition and choice when there is no national policy in place. Now is the time for the FCC to act, and, in Portland's opinion, to put a national open access policy in place.

Secondly--I suspect you have heard and will hear that local governments are trying to regulate the Internet. That is a term that has been thrown around a lot. Simply said, that couldn't be further from the truth. Portland has no interest in regulating the Internet, never has, never will. None of the city's regulations have anything to do with content. In fact, by providing open access and choice, the city believes it is opening up the Internet and giving people in Portland the chance to subscribe to the kind of Internet provider they want, whatever it is. We have no interest in regulating the Internet, only public facilities.

Thirdly, we do not favor different technical standards. FCC officials have made the argument--and it has been bandied about--that if local governments take action on this issue, the country will end up with 30,000 technical standards. The city has not asked for, nor has it regulated, any technical standard. The city believes that any technical standard should be decided by the cable industry and by the FCC. The city's rule simply says that there must be open access in Portland. It is legal and was upheld by a Federal district court after AT&T sued us.

Finally--and this probably is the most important point for the FCC to consider--this is not an issue that citizens saw coming. Commissioner Stan is the Cable Commissioner and he did not see it coming, but it has been raging in Portland's newspapers and talk radio stations for a year. Obviously, the city was sued. It had a large impact. It has been very, very well discussed, and it is very, very important to local citizens. Whenever Commissioner Stan is stopped on the street or in the grocery store, the response is always, keep fighting for open access. Citizens in Portland have experienced monopolies in the past. They have experienced lack of choice.

Even if, as AT&T has threatened, deployment of high-speed Internet access is slowed down in Portland, people are willing to take a breath and fight to have open access and choice in the years to come. I believe you will continue to hear more from cities, state legislatures, and constituents as they begin to understand the importance of this issue.

In conclusion, what Commissioner Stan would say is that Portland firmly believes that open access is in the public interest; and Portland will remain firm despite the tremendous amount of pressure that has been put upon the city.

I would like to share two incidents with you--and keep in mind that Portland has tried hard to work with AT&T. And, as I indicated in the opening, Portland welcomes many of AT&T's products and welcomes their investment in the community.

After the Portland citizens' commission recommended that open access was the right approach, an AT&T representative was quoted in the local newspaper as saying, "I hope

Portland has a very **large** legal budget." **Portland** does not, but it does **have** principles **and** is **willing to stand up for those principles**.

**AT&T** **sued** us over this. Portland **went** to **Federal** District Court. **I am** sure most of you have a copy of the decision. **There** is a **16-page** opinion by a Federal District Court judge that is clear and unequivocal that Portland has the authority to set a local **open** access policy. Now Portland has spent more local taxpayer dollars having **this** decision **appealed**. **AT&T** is **likely** to **appeal** the **9<sup>th</sup>** Circuit Court's **decision after** Portland wins again.

**After** Portland won **the** District Court case, **AT&T** put out a written **press release** that **claimed** the **real** losers **were** the **citizens** of Portland.

I will end by saying **that** Portland believes strongly, as much as it **values** investment **in** **the** community, that no **large** corporation should be able to hold a community hostage and threaten not to put key public services in **place because** they disagree with local policy. If the **FCC** understands the **results** of **their** inaction, **it** must know that now is the time to act; now is the time for a national policy.

**Commissioner Sten** would like to commend the FCC for having this hearing today. This is a **very** important issue. It is important that **the** FCC act to **take** Portland and other local jurisdictions out of the position of having to do battle with **AT&T** and other **cable** companies that would rather **litigate than** obey local law. Thank you.